

The only exemptions available to hotel operators are for rentals to permanent residents and to certain diplomatic personnel. Permanent residents are persons who occupy or have the right to occupy such rooms for at least thirty consecutive days. See 86 Ill. Adm. Code 480.101(a)(1). (This is a GIL).

October 18, 1999

Dear Xxxxx:

This letter is in response to your letter dated October 5, 1999. The nature of your letter and the information you have provided require that we respond with a General Information Letter, which is designed to provide general information, is not a statement of Department policy and is not binding on the Department. See 2 Ill. Adm. Code 1200.120(b) and (c), enclosed.

In your letter, you have stated and made inquiry as follows:

I am writeing in regard to a tax law that efects Motel lodging.

Is there a law on the IL. books that states, (if you stay for 30 days straight in the same motel/hotel, you can get the tax money back that you payed for the first 30 days?) Also, pay no more lodging taxes as long as you stay at the same place.

If this is so, could you please send me a copy of these laws and where they might be found on the books.

The Hotel Operators' Occupation Tax Act imposes a tax upon persons engaged in the business of renting, leasing or letting rooms in a hotel in Illinois. See the enclosed copy of 86 Ill. Adm. Code 480.101. The Hotel Operators' Occupation Tax applies to gross receipts received from a person who occupies a room or becomes irrevocably liable to pay rent for the right to occupy a specific room or rooms. See Section 480.101(c)(1). Therefore, when a person becomes liable for paying a charge to rent a room, those gross receipts are subject to tax whether or not the person shows up to occupy the room.

Please note that the Hotel Operators' Occupation Tax is a tax imposed upon hotel operators and not hotel guests. The Hotel Operators' Occupation Tax Act allows hotel operators to collect an amount from their customers that represents reimbursement for the hotel operators' tax liability. As a result, there is no tax that is imposed upon guests from which they can be exempted. The fact that these guests hold exemption identification numbers issued by the Department does not exempt them from reimbursement.

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I hope this information is helpful. The Department of Revenue maintains a Web site, which can be accessed at [www.revenue.state.il.us](http://www.revenue.state.il.us). If you have further questions related to the Illinois sales tax laws, please contact the Department's Taxpayer Information Division at (217) 782-3336.

If you are not under audit and you wish to obtain a binding Private Letter Ruling regarding your factual situation, please submit all of the information set out in items 1 through 8 of the enclosed copy of Section 1200.110(b).

Very truly yours,

Melanie A. Jarvis  
Associate Counsel

MAJ:msk  
Enc.